



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

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Governor

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Lieutenant Governor

February 3, 2004

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 3014

Mert Hamilton
Rocanville Stone
P.O. Box 35
Delta, Utah 84624

Subject: Response to Partial Transitional Surety Request, Rocanville Stone, Levan
#2/Red Gulch/Tejon, M/027/087, Millard County, Utah

Dear Mr. Hamilton:

The Division received your request to post half of the remaining \$15,980 partial transitional surety that is due for the Levan#2/Red Gulch/Tejon large mining project. We understand the extenuating circumstances surrounding this request, due to the severe weather we have had this past couple of months that have precluded you from meeting your previous commitment to post the full transitional surety for this site.

The Division accepts your request and will allow you another 10 days to post \$7,990 of the remaining \$15,980. The balance of \$7,990 will be due within 90 days or by May 3, 2004. We will be unable to grant any further time extensions for the bonding of his project beyond that date.

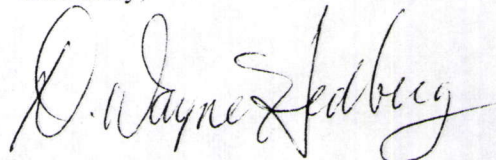
When the remaining \$15,980 is received, this will satisfy mitigation item #2 of the Division Directive (post \$31,700 transitional surety) which was sent to you on November 5, 2003. The other outstanding issues outlined in that Directive still need to be addressed within the timeframes established. Please be advised that the timeframe outlined in item #4 (w/in 60 days submit a complete LMO) has now past, which again places you in default of the Division Directive. Please furnish a complete LMO within the next 30 days so we can begin the review of this plan. We understand you have a consultant working on this plan and are

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waiting on him to complete the plan. By allowing an extra 30 days, we anticipate the plan to be adequately complete when it is received.

Thank you for working with us in bringing your site into compliance with the Mining Rules and Regulations. If you have any further questions or concerns regarding this letter, please contact me at 801-538-5286, or Tom Munson at 801-538-5321.

Sincerely,

A handwritten signature in dark ink, reading "D. Wayne Hedberg". The signature is fluid and cursive, with the first name "D." and last name "Hedberg" clearly legible.

D. Wayne Hedberg, Permit Supervisor
Minerals Regulatory Program

jb
cc: Sherri Wysong, BLM
Mary Ann Wright, DOGM
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